- 1. The term government property, as used in this clause, shall be synonymous with the term government production and research property, as defined in FAR 45.301 Government Property. There is to be no rent-free use of government property utilized in the production of items for Foreign Military Sales, and this clause shall be inapplicable to any items designated as being for Foreign Military Sales.
- 2. If any government property is offered for use in this solicitation, if shall be listed in Section ____ and shall be furnished strictly on a rent-free basis; where such property is offered, offerors requiring use thereof must complete Section ____ accordingly.
- 3. It is possible that an offeror may intend to use, in the performance of any contract resulting from this solicitation, government property in the possession of the offeror or its subcontractors under a facilities contract or other agreement independent of this solicitation; where an offeror intends to use such property, the offeror may, at its option, utilize it on either a rental or rent-free basis in accordance with subparagraphs (A) and (B) below:
- (A) Where the offeror proposes to use such property on a rental basis, it is the offeror's responsibility to obtain the necessary written permission for such use from the contracting officer having cognizance of the property and to assure that it takes into account any rental charges it will have to pay for use of the property when it sets its offer.
- (B) Where the offeror proposes to use such property on a rent free basis, it will be necessary for the government to apply an Evaluation Factor to its offer in order to eliminate any competitive advantage that might otherwise accrue to it as a result of such rent-free use. The evaluation factor will be computed in accordance with FAR 45.202-1. In order to qualify for such rent-free use, the offeror must submit with its offer the following information:
- (1) A list or description of all government property, in the possession of the offeror or its prospective subcontractors under other contracts or agreements, which the offeror or its subcontractors propose to use on a rent-free basis;
- (2) The acquisition cost of each item of government property included in such list or description;
- (3) Identification of the facilities or other instrument under which such property for use of that property;

- (4) The months during which such property will be available for the proposed use, which shall include the first, last, and all intervening months, and with respect to any such property, which will be used concurrently in performance of two or more contracts, the amount of the respective uses in sufficient detail to support the computation of any credit warranted under the Use and Charges clause, FAR 52.245-9. Where an offeror fails to specify the months of use, the offeror will be deemed to have proposed an amount of use equal to the full period specified in the solicitation for performance; and
- (5) The amount of rent, which would otherwise be charged for such proposed use, shall be computed in accordance with FAR 45.403.
- 4. An offeror, who proposes to use government property on a rentfree basis in accordance with subparagraph 3.(B) above, and whose
 offer complies sufficiently with the requirements of that
 subparagraph, shall, if awarded the contract, be granted rentfree use of such property for the number of months proposed under
 subparagraph 3(B)(4). Use for any greater period will not be
 authorized unless the offeror obtains prior authority from the
 contracting officer having cognizance of the property and either a
 fair rental is paid for such use or the contract price is reduced by
 an equivalent amount.
- 5. Except when authorized in accordance with paragraph 2 or subparagraph 3(B) above, no use of government property shall be authorized on this contract unless such use is approved in writing by the contracting officer cognizant of the property, and either rent calculated in accordance with FAR 45.403 is charged, or the contract price is reduced by an equivalent amount.
- 6. Where government property is to be used on a rental basis, the government reserves the right to unilaterally modify the resultant contract to provide for use of such government property on a rentfree basis, subject to an equitable adjustment to the contract in accordance with the procedures provided for in the changes clause hereof.
- 7. An offeror seeking rent-free use of government property in accordance with subparagraph 3(B) is cautioned to submit with its offer all the information required by that subparagraph. Failure to do so may result in rejection of the offer as non-responsive.